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May 21, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

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MAY 21 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: ***Ex Parte Notice***
In the Matter of Implementation of Section 304 of the
Telecommunications Act of 1996;
Commercial Availability of Navigation Devices
CS Docket No. 97-80

Dear Ms. Roman Salas:

The Association for Maximum Service Television ("MSTV") and the National Association of Broadcasters ("NAB") hereby notify the Commission that Victor Tawil, Ellen Goodman and Mary Newcomer Williams, for MSTV, and Lynn Claudy and Valerie Schulte, for NAB, met yesterday with Roy Stewart, Karen Kornbluh and Robert Ratcliffe of the Mass Media Bureau, Dale Hatfield and Jonathan Levy of the Office of Plans and Policy, William Johnson of the Cable Bureau, and Anita Wallgren, legal assistant to Commissioner Ness.

The discussion focused on the issues raised in the above-captioned docket, particularly on what steps the Commission should take to ensure the commercial availability of digital cable set-top boxes and digital cable-ready sets. The positions of MSTV and NAB are summarized in the attached sheet, which was handed out at the meeting. MSTV and NAB believe that the Commission can and should in this proceeding guide the cable and consumer equipment manufacturing industries in setting common and open standards (e.g., for cable transmission and security interfaces) to further the Congressional goals embodied in Section 629 of the Telecommunications Act of 1996. Among these goals are that set-top boxes and other navigation devices should be available in retail outlets, be able to be used with multiple cable systems across the country, and be compatible with other digital devices.

But the navigation devices notice of proposed rulemaking was not drafted to deal with issues that relate particularly to the ability of consumers to receive over-the-air DTV signals through cable. The notice did not seek comment on the critical cable/over-the-air DTV/consumer equipment compatibility issues that are central to the success of the DTV roll

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out. MSTV and NAB, in their filings in the DTV proceeding (MM Docket No. 87-268), have urged the Commission to ensure that cable systems deploy set-top boxes that can pass through a DTV signal in an undegraded form to the consumer. The Cable Act requires that the Commission adopt rules to ensure carriage of DTV signals in a way that fulfills the goals of the Cable Act. Fulfilling these goals means that cable systems must not impair or prevent consumer access to DTV signals tomorrow, just as they must not impair or prevent consumer access to NTSC television signals today. Although much progress has been made in industry standard-setting activities to achieve the compatibility objectives cited above, important specifications have yet to be agreed to by the cable industry and the consumer equipment manufacturers. The Commission should act as a forcing function to ensure the expeditious resolution of these issues. At stake is the ability of consumers to choose the quality of digital television service they will receive and the type of equipment that they will view it on.

In the meeting yesterday, MSTV and NAB urged the Commission to take up the cable/DTV/equipment compatibility issues that cannot be resolved in the navigation devices proceeding in the forthcoming proceeding addressing cable carriage of DTV signals.

Please direct any questions to the undersigned.

Respectfully submitted,



Ellen P. Goodman
Attorney for MSTV

Attachment

cc.
Mr. Dale Hatfield
Mr. William Johnson
Ms. Karen Kornbluh
Mr. Jonathan Levy
Mr. Robert Ratcliffe
Mr. Roy Stewart
Ms. Anita Wallgren

May 20, 1998

MSTV AND NAB MEETING WITH FCC ON NAVIGATION DEVICES

1. There are steps the Commission should take in CS Docket No. 97-80, dealing with the commercial availability of navigation devices, to ease the cable/DTV/equipment compatibility issues. However, the navigation device proceeding does not encompass all the issues. Many must be settled separately on a fuller record, preferably in the cable carriage proceeding.
2. In the navigation device proceeding, the Commission should ensure (e.g., by setting deadlines for compliance with standards developed by open, accredited standard-setting bodies):
 - a) full interoperability between cable system equipment and other electronic devices and nationwide portability of digital consumer premises equipment;
 - b) the consumer's right to use any non-interfering devices to access multichannel video program distributors' services;
 - c) the separation of conditional access features from other functions in digital devices so that manufacturers can use a modular or key approach to encryption;
 - d) that there is a standard interface between the navigation device, the television set and the video recorder (among other devices).
3. Additional steps to ensure that consumers have access to all DTV signals, in an undegraded form, carried on their cable systems need to be taken in a subsequent proceeding. These steps include:
 - a) necessary standardization to enable cable ready sets;
 - b) necessary capabilities so that all new set-top boxes can pass through a DTV signal in an undegraded form to the consumer;
 - c) putting cable operators on notice that they should immediately desist from deploying set-top boxes that cannot pass through all DTV signals in an undegraded form .